

Arlington High School Building Committee
Finance Subcommittee Meeting
Thursday, September 3rd, 2020
Conducted by Remote Participation
4:00 pm – 5:300 pm

Meeting Minutes

Present:

Adam Chapdelaine, Sany Pooler, Michael Mason, John Cole
Jim Burrows, Victoria Clifford, Sy Nyguen, Skanska

Adam Chapdelaine waited for a quorum to begin. Quorum was met at 4:15 pm and the meeting began. Adam Chapdelaine, Town Manager, opened the meeting conducted by remote participation as outlined in Governor Baker's order suspending certain provisions of the open meeting law on March 12, 2020, and explained how votes would be taken.

1. Change Management

- Skanska presented the Change Order Log dated 9/2/20. The requested changes to the contingency table were included.
- Skanska reported that they currently have weekly change meetings with the contractor and architect and that the team is aiming to finalize and present AHS CO #2 by the end of the month.
- Skanska noted that Parmenter Changes are pulled from a different budget, so the numbers are actually tighter than they appear.
- John Cole asked if the number of changes we have is typical for this stage in the project.
 - Skanska answered, yes, with exception to the Eversource delays and the COVID-19 impacts. Skanska noted a column that tracks the change type; incomplete drawings, owner request, third-party request - etc.
- John Cole asked how the cost is differentiated from the Owner Contingency to Construction Contingency?
 - Skanska answered that Owners Contingency is used for soft cost expenditures.

2. Requisition Review/Approval

- Skanska presented AHS Requisition #5 and Parmenter Requisition #5. There were no comments or questions from the subcommittee.
- Sandy Pooler Moved to Approve AHS Requisition #5 and Parmenter Requisition #5. Michael Mason seconded the motion. Adam Chapdelaine called a roll call vote:
 - Sandy Pooler: Yes.
 - Michael Mason: Yes.
 - John Cole: Yes.
 - Adam Chapdelaine: Yes.
- Motion passed unanimously.

3. Consigli Additional Pre-Con ServicesFee Discussion

- Skanska presented the Consigli Request for Additional Pre-Con Fee Request. Consigli is seeking additional reimbursement of \$300K for preconstruction services.
- Skanska noted that the original budget for Pre-Con services was \$500K, and the original Consigli proposal included a Pre-Con credit for a total of \$275K. \$275K is the current executed contract value for Pre-Con Services.
- Skanska noted that it's common for CM's to go low on the Pre-Con Services fee in order to win the project.
- During the CM Procurement Phase, the following Pre-Con Service Fees were received:
 - Dimeo - \$630k
 - Gilbane \$350k
 - Shawmut \$414k
 - Turner \$546k
 - Consigli \$275k
- Skanska reported that we currently have the Pre-Con savings earmarked to cover a portion of the Parmenter Overage. This is shown on BBR#3, which is on the agenda for review. Any additional funds to cover Consigli's fee would need to come from Owners Contingency.
- Skanska offered the following analysis of Consigli's request:
 - Per the Contract, the CM owes the Owner a 21-day notice for any changes. Contractually, there was no notice of a Pre-Con overage.
 - Item 1 – SD Estimate was in the executed contract, however, the RFP listed the DD, 60%, 90%, and estimates only.
 - "The only document that will be binding on Town of Arlington is the contract duly executed by Town of Arlington".
 - Each page of the executed Contract was signed and the Contract reviewed by Consigli.
 - Item #2 – Value engineering during SD. It was written in the base contract scope that the CM was to assist with value engineering at all design phases.
 - Item #3 – Parmenter estimate was always part of the scope, estimated for \$2M in scope.
 - Item #4 – Early bid packages were noted as anticipated, typical activities for a CM. Overall, four early bid packages are not uncommon for a complex project.
 - Item #5 – They have performed many MSBA projects and should understand the volume of meetings per the executed CM RFP.
- John Cole suggested we look at the minutes from the Pre-Con Procurement Subcommittee and Finance Subcommittee to see if there is any reference to Consigli low-balling the Pre-Con Service fee.
- Skanska added that Consigli did perform well in Pre-Con, and it may behoove the subcommittee to entertain additional compensation to withstand the relationship.
- John Cole asked if Consigli negotiated the Pre-Con Services fee during contract negotiations.
 - Skanska answered that due to Chapter 149A Laws, they were not able to change their initial proposal. The Pre-con fee could have been negotiated, however, Consigli did not opt to negotiate at that time
- John Cole added that he believed Consigli bid low on purpose.
- Adam Chapdelaine said he would consider additional compensation to benefit the relationship. However, future changes would need to be known in advance.

- John Cole agreed but would like it made known to Consigli that we knew this was a part of their plan.
- Michael Mason agreed that future changes in the Contract need to be known well in advance.
- Sandy Pooler agreed to offer some compensation; however, he believes that Consigli low-balled the Pre-Con Services proposal to win the job.
- Adam Chapdelaine asked Skanska what the process is moving forward.
 - Skanska replied that there is no timeline for approval. The subcommittee can take their time to decide how to respond as this is not time-sensitive. Skanska recommended reconvening until 9/17 or 9/24 to receive feedback from Brian Rehrig and Kate Loosian.
- Michael Mason asked how reasonable Consigli's ask was.
 - Skanska replied that an additional fee for the SD VE process might be warranted due to how involved it was. Skanska noted that Item #1, #3, #4 and #5 are not convincing.
- Michael Mason asked how we could warrant the hours spent for item #2?
 - Skanska replied that we would have to go through the requisitions.
- The subcommittee tabled the conversation until the next meeting. The subcommittee directed Skanska to communicate to Consigli that their request was not rejected, but that the subcommittee will need more time for consideration.

4. AHS MSBA BRR#3 Review/Approval

- Skanska presented the AHS MSBA BRR#3. Skanska Explained that all included costs have been pre-approved by the subcommittee and that the BRR process is an exercise to move money within the MSBA Project Funding Agreement budget.
- Skanska will hold off on submitting BRR#3 until the Pre-Con Fee is decided as we currently have the Pre-Con savings earmarked to cover a portion of the Parmenter Overage.
- Motion by John Cole to give Skanska authority to submit the AHS BRR#3 to the MSBA contingent on the final negotiations on the Pre-Con savings. Michael Mason seconded the motion. Adam Chapdelaine called a roll call vote:
 - Sandy Pooler: Yes.
 - Michael Mason: Yes.
 - John Cole: Yes.
 - Adam Chapdelaine: Yes.
- Motion passed unanimously.

5. Minutes Review/Approval

- Skanska presented the meeting minutes from 8/25/20. There were no comments from the subcommittee on the minutes.
- Michael Mason moved to approve the minutes. Sandy Pooler seconded the motion. Adam Chapdelaine called a roll call vote:
 - Sandy Pooler: Yes.
 - Michael Mason: Yes.
 - John Cole: Abstained.

- Adam Chapdelaine: Yes.
- Motion passed unanimously.

Motion to adjourn by John Cole. Sandy Pooler seconded the motion. Adam Chapdelaine called a roll call vote:

- Sandy Pooler: Yes.
- Michael Mason: Yes.
- John Cole: Yes.
- Adam Chapdelaine: Yes.

Meeting adjourned at 5:00 pm.